



STATE OF CONNECTICUT NEWS RELEASE

Attorney General Richard Blumenthal
Department of Consumer Protection
Commissioner Edwin R. Rodriguez

TUESDAY MARCH 23, 2004

ATTORNEY GENERAL SUES NY CLOTHING DROP BOX COMPANY FOR DECEIVING DONORS, SEEKS HALT TO CT ACTIVITIES

Attorney General Richard Blumenthal today sued American Recycling Technologies, Inc. of East Northport, New York for labeling its clothing drop boxes in a manner that falsely leads donors to believe they are making a charitable donation. In reality, American Recycling receives and sells for a profit all the clothing left at its bins, while paying a small yearly stipend to charities listed on the boxes.

Blumenthal filed the lawsuit on behalf of Department of Consumer Protection Commissioner Edwin R. Rodriguez.

The action asks the court to issue an injunction halting the company's activities in the state and to order restitution for charities whose names appear on the company's drop boxes. Blumenthal's office is seeking restitution totaling tens of thousands of dollars or more.

"American Recycling Technologies is flagrantly deceiving donors and defying state law," Blumenthal said. "The company's operation is, in a word, a sham. The company leads people to believe that specific charities directly receive the donated clothing - by placing the charities' emblems on the bins. In reality, American Recycling pays the charities on its boxes a pittance, while reaping huge revenues for itself. My office will aggressively pursue this legal action to force the company to halt its shameful activities in Connecticut and to win restitution for the charities whose good names American Recycling has exploited in its shameless drive for profits."

"This organization flouted our charities and trade practice laws while lining its pockets and exploiting the public's generosity," Rodriguez said. "Although it's unfortunate that we must resort to a lawsuit to bring American Recycling Technologies into compliance, this case should serve as a wake up call to solicitors and would-be solicitors in Connecticut. We are quite serious about

MEDIA CONTACTS

Attorney General's Office
Christopher Hoffman 860-808-5324

Department of Consumer Protection
Claudette Carveth 860-713-6020

upholding the law on charitable solicitation and protecting the generous intent of Connecticut contributors.”

American Recycling Technologies prominently displays on its drop boxes the names of charities, along with the words “Help Your Community” or “Help Us Help Others.” Some of the company’s bins include an obscure secondary representation that reads, “proceeds go to the owner.”

An investigation by the Attorney General’s Office revealed that the company sells all the donated clothing and then passes on a tiny amount of the proceeds to charities listed on its boxes.

Charities listed on American Recycling Technologies’ boxes include the Narcotics Enforcement Officers Association, Valley/Amity Safe Kids, Seymour Police Department Community Resource Program, St. Joseph’s School, Trumbull Police Department and Darien Volunteer Fire Department.

Blumenthal’s office has concluded that American Recycling Technologies’ actions violate the state’s charitable solicitation and unfair trade practices laws. The company has engaged in these practices since at least September 2002.

Blumenthal’s action seeks injunctions ordering American Recycling Technologies to remove its bins and stop soliciting donations until it ceases its illegal practices and registers with the Attorney General’s Office as a paid charitable solicitor.

American Recycling Technologies has at least 73 drop boxes in Connecticut. The boxes are located in a number of cities and towns, including Ansonia, Darien, Derby, Greenwich, Middlebury, Milford, New Haven, Norwalk, Orange, Oxford, Seymour, Stamford, Trumbull, Farmington, Hamden, North Haven, Waterbury.

*****END*****

MEDIA CONTACTS

**Attorney General’s Office
Christopher Hoffman 860-808-5324**

**Department of Consumer Protection
Claudette Carveth 860-713-6020**